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March 3, 2022

The Honorable Bronna Kahle
Chair, House Committee on Health Policy
Michigan House of Representatives
Room 519, House Office Building
Lansing, MI 48933

Dear Chairperson Kahle,

On behalf of the nearly 16,500 U.S. members of the American Academy of Dermatology Association ("Academy"), we write in support of SB 247. This legislation would be a critical step to ensure patients have access to their prescription medicines by placing guardrails on the use of prior authorization. Prior authorization is a cost containment tool used by health insurance plans requiring physicians and other health care providers to obtain advance approval from a health plan before delivering a specific procedure, service, device, supply or medication. While we understand the need to contain health care costs, prior authorization is often a hurdle to accessing medication and other procedures, such as Mohs micrographic surgery, phototherapy, and patch testing. As explained below, we urge you and members of the House Committee on Health Policy to support SB 247.

Prior authorization has greatly impacted the ability of our patients to access their medications. According to a 2020 survey of Academy members, approximately one quarter of dermatology patients per day require prior authorization, and only half are successful. Of the 50% who do not have access the medication prescribed by their dermatologist, 36% reported receiving a less effective medication and 27% either delayed or abandoned their treatment. Dermatology patients who seek biologics often wait more than two weeks to more than one month to obtain their medications as a result of prior authorization. Delays in accessing prescription medications can cause irreparable harm to patients in need of timely access to specific treatments. The choice of therapy should be between a physician and his/her patient where consideration of all factors— efficacy and safety of all treatment options, co-morbidities, and support system—are

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Support for SB 247

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fully vetted and discussed. Prior authorization places a third party, with no knowledge of the complexity or full history of a patient's condition, in an inappropriate decision-making role. Further, prior authorization poses significant administrative burdens on dermatology practices. The financial cost to practices averages \$40,000 to either hire or redistribute staff to manage the prior authorization process, which can take up to an average 3.5 hours of work per day. According to dermatology practice administrators, the time spent on prior authorization equates to an average five to eight additional patients per day that could be scheduled.

SB 247 would ensure that the prior authorization process is clinically-based and does not unduly burden physicians or patients in accessing optimal drug therapy. Pursuant to this legislation, current prior authorization requirements would be readily accessible on a health plan's website. Health plans would notify the insured or provider of the utilization review decision concerning urgent health care services no later than 72 hours after obtaining all necessary information and within seven to nine days for nonurgent health care services. Additionally, an approved prior authorization would be valid for 60 calendar days or for a duration that is clinically appropriate, whichever is later.

The Academy appreciates the opportunity to provide written comments on this important public health issue and urges your support for SB 247. As physicians, our number one priority is the health and welfare of our patients. The passage of this legislation will improve access to prescription medications that are in the best interest of the patient. For further information, please contact Lisa Albany, director, state policy, at lalbany@aad.org (202) 842-3555.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth J. Tomecki".

Kenneth J. Tomecki, MD, FAAD

President

American Academy of Dermatology Association